

SIDLEY & AUSTIN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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WASHINGTON, D.C. 20006
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ONE FIRST NATIONAL PLAZA
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TELEX 25-4364

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LOS ANGELES, CALIFORNIA 90067
TELEPHONE 213: 553-8100
TELEX 18-1391

9 HOLLAND PARK
LONDON, W11 3TH, ENGLAND
TELEPHONE 01: 727-0132
TELEX 21781

P.O. Box 190
MUSCAT, SULTANATE OF OMAN
TELEPHONE 722-411
TELEX 3866

P.O. Box 4619
DEIRA, DUBAI - U.A.E.
TELEPHONE 9714-283194
TELEX 47216

Founded in 1866 as
Williams & Thompson

August 29, 1983

RECORDATION NO. 12208-E Filed 1426

Hand-delivered

AUG 29 1983 -4 15 PM

INTERSTATE COMMERCE COMMISSION No.

3-241A/15
AUG 29 1983

Ms. Agatha Mergenovich
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C.

Date

Fee \$ 10.00

Attention: Office of Recordation, Room 2303

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303, please accept for filing the attached Notice of Intent to Return Collateral In Satisfaction of Debt. We request that the Notice be filed under Recordation No. 12208, a Security Agreement dated September 23, 1980, between U.S. Steel Credit Corporation and Funding Systems Railcars, Inc.

Also enclosed is a check for \$10.00 to cover the filing fee.

Thank you for your assistance.

Sincerely,

Jay S. Bybee
Jay S. Bybee

RECEIVED
AUG 29 4 15 PM '83
FEE OPERATION CR.

Counterpart - 12208-E

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

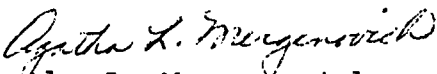
Jay S. Bybee
Sidley & Austin
1722 Eye Street, N. W.
Washington, D. C. 20006

August 29, 1983

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8/29/83 at 4:45PM , and assigned re-
recording number(s). 12208-E

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

NOTICE OF INTENT TO RETAIN
COLLATERAL IN SATISFACTION OF DEBT

TO:

Weiler-Arnou Investment Co.
Attention: Alan G. Weiler
1114 Avenues of the Americas
New York, NY 10036

RECORDATION NO. 12208-E Filed 1425

AUG 29 1983 -4 45 PM

INTERSTATE COMMERCE COMMISSION

Wisconsin & Southern Railroad Co.
Attention: Noel Ball
511 Barstow Street
P. O. Box A
Horicon, WI 53032

Funding Systems Railcars, Inc.
Attention: James B. Shein
2215 Sanders Road, Suite 370
Northbrook, IL 60062

Stoddard D. Platt, Esq.
Bergreen & Bergreen
660 Madison Avenue
New York, NY 10021

Lewis S. Rosenbloom, Esq.
Nachman, Munitz, Sweig, Ltd.
115 S. LaSalle Street
Chicago, IL 60603

Steven B. Towbin, Esq.
Daniel A. Zazove, Esq.
Towbin & Zazove, Ltd.
53 W. Jackson Blvd.
Chicago, IL 60604

LaSalle & Bureau County Railroad Company
Attention: John W. Johnson
53 W. Jackson Blvd., Suite 530
Chicago, IL 60604

Pursuant to the terms of that certain Security Agreement ("Security Agreement") dated as of September 23, 1980 between Funding Systems Railcars, Inc. ("FSR") and U.S. Steel Credit Corporation ("U.S. Steel") and recorded with the Interstate Commerce Commission of the United States as Recordation No. 12208,

U.S. Steel possesses a first perfected security interest in certain general purpose railroad gondola cars more particularly described below, to secure payment of a debt owed to U.S. Steel by FSR exceeding \$3,000,000.00 as evidenced by a certain Secured Note dated September 23, 1980 in the original principal amount of \$2,914,284.80 (the "Note"), executed and delivered by FSR to U.S. Steel. The said collateral consists of 100 railroad gondola cars originally bearing railroad equipment identification numbers WSOR 5164 through WSOR 5263, inclusive, and currently bearing the following railroad equipment identification numbers (collectively, the "Gondola Cars"):

WSOR 5164-5167	LSBC 5182
LSBC 5168	WSOR 5183
WSOR 5169	WSOR 5184
WSOR 5170	LSBC 5185
LSBC 5171	WSOR 5186
LSBC 5172	WSOR 5187
WSOR 5173	LSBC 5188
LSBC 5174	WSOR 5189-5199
WSOR 5175	LSBC 5200
WSOR 5176	LSBC 5201
LSBC 5177	WSOR 5202-5208
WSOR 5178-5181	LSBC 5209
WSOR 5210	WSOR 5236-5250
LSBC 5211	LSBC 5251-5253
WSOR 5212-5218	WSOR 5254
LSBC 5219-5222	LSBC 5255
WSOR 5223-5225	WSOR 5256-5258
LSBC 5226	LSBC 5259
WSOR 5227-5230	WSOR 5260
LSBC 5231	LSBC 5261
WSOR 5232-5234	WSOR 5262
LSBC 5235	WSOR 5263

FSR has defaulted under the terms of the Note and Security Agreement. According to the filing index maintained by the Interstate Commerce Commission for such purposes pursuant to 49 U.S.C. §11303(b), each of you claims or may claim some interest in some or all of the Gondola Cars, which interest is subordinate and inferior to the rights and interests of U.S. Steel in the Gondola Cars.

Pursuant to the terms and provisions of that certain Agreed Order entered on June 4, 1982 by the United States Bankruptcy Court for the Northern District of Illinois in connection with Case No. 81 B 11964 and Adversary No. 82 A 1341 (the "Order"), the automatic stay imposed by 11 U.S.C. §362 vacated as against U.S. Steel on December 31, 1982 and U.S. Steel is authorized to enforce its liens and security interests in the Gondola Cars in accordance with the terms and provisions of the Security Agreement.

